

USDA Child Nutrition Programs Administrative Review Summary Report

School Food Authority: Cedarburg School District

Agency Code: 451015

School(s) Reviewed: Parkview Elementary

Review Date(s): 2/20/17-2/21/17

Date of Exit Conference: 2/21/17

State agencies (SA) are required to conduct administrative reviews to assess School Food Authority (SFA)'s administration of the National School Lunch Program (NSLP), School Breakfast Program (SBP), and other school nutrition programs. The objectives of the Administrative Reviews are to:

- Determine whether the SFA meets program regulations,
- Provide technical assistance,
- Secure needed corrective action,
- Assess fiscal action, and when applicable, recover improperly paid funds.

General Program Reminders/Updates:

- The Department of Public Instruction (DPI) School Nutrition Team (SNT) conducts School Nutrition Skills Development Courses (SNSDC) each summer in various locations around the state at no charge. Courses cover many areas of the school nutrition programs including administrative responsibilities, program basics, meal pattern requirements and menu planning, financial management, professional standards, procurement, and many other topics.

It was obvious that Cedarburg School District staff have attended DPI trainings and were knowledgeable in critical areas of review. We encourage the staff to continue attending DPI trainings annually. More information along with other upcoming trainings and webinars can be found on the Wisconsin DPI School Nutrition Training webpage dpi.wi.gov/school-nutrition/training.

- SFA staff are encouraged to pursue GOALS Certification. GOALS stands for Goal Oriented Achievement Learning Skills. This is a certificate endorsed by the DPI and is obtained by completing training in nutrition, program administration and operations, and communications and marketing. For more information go to the Wisconsin DPI School Nutrition Training webpage dpi.wi.gov/school-nutrition/training/goal-oriented-achievement-learning-skills.

Appreciation/Commendations/Noteworthy Initiatives:

Thank you to the staff at Cedarburg School District for the courtesies extended to us during the on-site review. Staff were available to answer questions and were receptive to recommendations and guidance. In addition, thank you for taking the time to respond to the off-site questions and requests, as well as pulling records for the on-site portion of the review. Records were accessible and organized which expedited the onsite review.

REVIEW AREAS

1. MEAL ACCESS AND REIMBURSEMENT

Commendations

- Applications are reviewed in a very timely manner. Eligibility determinations are made, the family notified of their status, and the status implemented well within 10 operating days of the receipt of the application.
- Applications with questionable or conflicting information are followed up on quickly prior to certification. Conversations with households are well documented to support the determination.
- Direct Certification is ran as required and more often to increase student matches.
- The verification process from initial household contact to review of supporting documentation and confirmation of eligibility is well documented.

Comments/Technical Assistance/Compliance Reminders

Certification and Benefit Issuance

- 160 eligibility determinations were reviewed, 0 errors were identified. Great job!

Zero Income

Effective in SY 2016-2017, any income field left blank is a positive indication of no income and certifies that there is no income to report. When no income is provided for any household members, the application may still be processed as complete.

Application and Verification Forms

Thank you for using the DPI prototype letters with the current non-discrimination statement.

Independent Review of Applications

- LEAs that have a 5% or higher error rate during the certification review of the Administrative Review are be required to conduct a second review of applications in the following school year.
- Cedarburg School District had a 0% certification error rate and will *not* be required to conduct a second review of applications in the following school year.

Disclosure

For staff receiving eligibility information to approve students for non-food service program benefits, the *Disclosure Agreement* form should be signed and on file at the district. A template disclosure form is located on the SNT website <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/disclosure-agreement.docx>.

Verification

The sample pool depends on the number of approved applications, paper or electronic, on file as of October 1. This does not include student approved free as part of direct certification. It would include Other Source Categorical applications, case number applications not verified through direct certification, and income applications.

Meal Counting and Claiming

- Meals claimed for reimbursement may only be charged to a student at the time of receipt of a reimbursable meal and must be done through a system that consistently yields correct claims. Meal counts may not be based on attendance or forecast counts.
- The current beginning of the line system could be improved to ensure more effective communication between the aids entering the cards into the software system and the line staff checking for reimbursable meals. Charging a student for an extra milk was missed during meal service observation and if a student does not take a reimbursable meal they must be charged ala carte and their meal removed from the claim for reimbursement.
- No errors on the consolidation of the review period claim. Great job!

Findings and Corrective Action Needed

Verification

- **Finding #1:** The verification pool used to calculate the sample size included direct certification eligibilities, which resulted in over verifying applications (4 vs.1). The EM for school meals states that with the exception of verification for cause, LEAs must not verify more or less than the standard sample size or the alternate sample size (when used), and must not verify all (100%) of the applications.

Corrective Action Needed: Submit a written statement of understanding- agreeing to leave out direct certification eligibilities from the pool.

Meal Counting and Claiming

- **Finding #1:** The district is not reviewing and signing off on monthly claims prepared by the FSMC prior to submission online.

Corrective Action Needed: By signing this report, the district agrees to review and sign off on monthly reimbursement claims prepared by the FSMC prior to submission online.

2. MEAL PATTERN AND NUTRITIONAL QUALITY

Commendations

Sincere thanks to the Food Service Director, dietetic intern, and school nutrition professionals of Cedarburg High School and Parkview Elementary School. We appreciated your time and efforts spent preparing for and participating in the onsite review. Thank you also for your warm welcome and hospitality. The Food Service Director is enthusiastic and inquisitive. Documentation provided onsite was well-organized and thorough. Resolutions were quick and effective. Staff at Parkview Elementary School are highly knowledgeable. They implemented two creative strategies – wristbands to indicate entrée choice and pictures of entrees – to reduce food waste and increase customer satisfaction. They work well together and make the best of their small space. Well done!

Comments/Technical Assistance/Compliance Reminders

Crediting Documentation

Crediting information recorded on the production records was not consistently in agreement with crediting information on the supporting documentation, such as child nutrition (CN) labels, product formulation statements, the Food Buying Guide, or standardized recipes. Including meal pattern contributions for specified grade groups on production records is not required, though it must be

documented and available for staff. Food manufacturers periodically reformulate products used in schools. It is important to stay current with these changes and be confident that the documentation on file matches the products in stock. Records should be reviewed and updated at least annually and as new products are purchased or substituted. Please ensure crediting information, whether recorded on production records or separately, is accurate and in agreement with supporting documentation. Additionally, product formulation statements must clearly detail the ingredients and their creditable quantities in order to be served in Child Nutrition Programs.

Signage

Post signage visible to students that indicates the offered components in each meal and what students must select in order for their meals to be considered reimbursable. Lunch signage should list the five components and inform students that under Offer Versus Serve (OVS) they must select at least three full components. Please add a statement to your current signage that states a student must select at least 1/2 cup fruit, vegetable, or fruit/vegetable combination as part of his or her reimbursable meals.

Offer versus Serve

Overall, staff did a fine job helping the students select reimbursable meals. On the day of review, green beans were served to several students who did not select a fruit or vegetable from the garden bar in order to complete their reimbursable meals. Several students commented they disliked or did not want green beans but received them anyway. Consider offering the cupped fruit on the main line as well as on the garden bar, to offer students a choice other than the hot vegetable.

Findings and Corrective Action Needed

- **Finding #1:** Weekly minimum requirements for the meat/meat alternate and grain components are not being met as a result of 1.00 or 1.25 ounce equivalent meat/meat alternate and 1.25 or 1.50 ounce equivalent grain menu items (e.g. parfait, yogurt/fruit/cheese plate) offered four times during the week of review.

Corrective Action: Please submit an updated menu and statement describing how you will alter the menu to meet the requirements going forward.

- **Finding #2:** The required 1/2 cup fruit, vegetable, or fruit vegetable combination statement is missing from posted signage at Parkview Elementary School.

Corrective Action: Add a statement to your current signage that states the student must take at least 1/2 cup fruit, vegetable, or fruit/vegetable combination. Submit a photo of updated signage.

3. RESOURCE MANAGEMENT

Commendations

- Cedarburg School district is running a fiscally sound program allowing for expansion of more diverse fruit and vegetable menu options, adding equipment, and planning for future needs of the program.
- A la carte items are tracked well and priced sufficient to cover cost overall. The nonprogram food revenue ratio was in compliance and all nonprogram food revenue is making its way back to the food service account.

Comments/Technical Assistance/Compliance Reminders

Nonprofit School Food Service Account

SFAs must limit net cash resources in order to not exceed three months average expenditures. Cedarburg School District has a significant excess cash balance and has submitted a spend down plan for the 2014-15 SY, which was approved by the DPI office on 5/4/16. Items outlined in the plan included: upgrading fruit and vegetable options and various equipment needs. This plan is estimated to be completed by 8/21/17. The district will again be receiving a spend down letter for the 2015-16 SY and will need to update this plan or outline a need to save for future projects requiring the carryover of funds. Other suggestions for spend down were discussed onsite.

Annual Financial Report:

The new 16-17 Annual Financial Report instructions are located on our website at:

<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/annual-financial-report-instructions-new-1617.doc>

Allowable Costs

- The nonprofit school food service account is to be used only for the operation of the school meal program including food, supplies, equipment and personnel.
- The nonprofit school food service account may *not* be used to purchase land and/or buildings unless approved by FNS.

Unpaid Meal Charge Policy

USDA Policy Memorandum SP 46-2016 requires all SFAs operating federal school meal programs, by July 1, 2017, to have a written and clearly communicated policy that addresses unpaid meal charges. For a snap-shot on what the policy must include, see the Unpaid Meal Charges In a “Nutshell”: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf>. For a more comprehensive overview, see SP 58-2016: Unpaid Meal Charges Guidance: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-58-2016.pdf>

- Best Practices
 - Local meal charge policy checklist
 - Sample outstanding balance letter
 - Sample robo-call script
- Bad debt is an unallowable expense to the food service program. A transfer must be made from non-federal funds to cover student account write-offs. SP57-2016 Unpaid Meal Charges guidance Q & A may be found at <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-57-2016.pdf>.

Paid Lunch Equity

Thank you for completing the Paid Lunch Equity tool each year and adhering to the pricing requirements. The SFA may wish to consider applying for a PLE exemption for the 2017-18 SY. Increasing paid student prices will further increase the excess cash balance. The tool and exemption for can be found on the PLE website: <https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>

Revenue from Nonprogram Foods

- Nonprogram foods include: Adult Meals, A la Carte, Extra Entrees, Extra Milk (for cold lunch or milk break), Vended Meals (meals sold to other agencies), Catered Meals, and Food Service operated Vending Machines.

- All nonprogram food costs including food, labor, equipment, purchased services, and other must be covered by revenues received from the sale of those foods. Nonprogram foods may not be supported by reimbursable meals or have a nonprogram foods loss absorbed by the food service account. Nonprogram foods may never run in the negative unless non-federal funds are transferred into the food service fund to cover the deficit.
- Agencies must clearly track and separate nonprogram food costs and revenues from program food costs and revenues.
- The *USDA Nonprogram Revenue Tool* must be completed annually:
https://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/npr_tool.xls. An alternative is to use the *DPI Nonprogram Food Revenue Tool/Calculator*, which feeds into the USDA tool and aids in calculating prices of nonprogram foods and meeting the regulation.
<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/non-program-food-price-calculator.xlsx>
- Compare the reference period revenue ratio to the food cost ratio to determine if the revenue ratio is equal to or greater than the food cost ratio. If the revenue ratio is equal to or greater than the food cost ratio, the SFA is in compliance

$$\frac{\text{Nonprogram food revenue}}{\text{Total program and nonprogram revenue}} \geq \frac{\text{Total nonprogram food costs}}{\text{Total program and nonprogram food costs}}$$

Adult Meals

Adult meals are considered non-program foods. Food service programs must price adult meals above the overall cost of the meals. Since adult meal costs can be difficult to calculate, SFAs must, at a minimum, follow the pricing guidelines in Food Nutrition Services Instruction 782-5. A *Wisconsin Adult Meal Pricing Worksheet* has been developed to assist you in pricing adult meals
<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/wisconsin-adult-meal-pricing-guide.doc>. Districts need to reassess adult meal prices annually prior to contract submission to ensure student reimbursement are not being used to subsidize adult meals. The current reimbursement rates (2016-17 SY) should be used to determine 2017-18 SY prices because rates are not released until July 1 of each year.

Resources:

- Nonprogram Foods Revenue Rule SP-20-2016 <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-20-2016.pdf>
- Nonprogram Foods in a Nutshell <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/nonprogram-foods-in-a-nutshell.pdf>.

Findings and Corrective Action Needed:

Comprehensive Review- Revenue form Nonprogram Foods

- **Finding #1:** The district is charging \$3.45 for adult meals. The adult meal price listed and approved on the online contract is \$3.55.

Corrective Action Needed: Increase the adult meal charge to cover the per meal student reimbursement at a minimum, which is \$3.53. See formula above under nonprogram foods for additional information.

4. GENERAL PROGRAM COMPLIANCE

Commendations

- The district does an excellent job working as a team to accommodate special dietary needs requests. The food service department, nurse, and households all connect to make sure a safe meal is provided.
- The public release has been submitted to the required outlets. Thank you!

Comments/Technical Assistance/Compliance Reminders:

Civil Rights

Civil Rights Training

Civil rights training must be conducted on a yearly basis for all staff and volunteers who administer any portion of a school nutrition program. Civil rights training had been attended by all staff and documentation was available for review. I encourage the training to be conducted around the beginning of the school year given the content covered.

Special Dietary Needs

Fluid Milk Substitute

If providing a fluid milk substitute for students who are lactose intolerant, it cannot be juice, unless based on a documented disability by a licensed medical practitioner. Water is available to all students, a lactose free milk could be offered, or you can provide a fluid milk substitute that meets the nutritional requirements set forth by USDA. If choosing to provide a fluid milk substitute, you must notify our office in writing and provide us the nutritional panel from the product you will be using. For more information on fluid milk substitutes, http://www.fns.usda.gov/sites/default/files/SP_07_CACFP_04_SFSP_05-2010_os.pdf

Medical Statement

- DPI has updated the prototype Medical Form posted on our website that you may use <https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/medical-statement.pdf>.
- When the form is completed and signed by a licensed medical practitioner, the school is required to provide a meal that meets the child's needs as documented. The meal would *not* have to meet the meal pattern requirements, as the diet requests serves as the meal pattern for that particular child.
- Schools are not required to accommodate requests that are not supported by a signed statement from a licensed medical practitioner. Schools may accommodate non-disability requests if they choose to *as long as accommodations are made within the meal pattern requirements*. SFAs must ensure that accommodations are provided to all students equally.

For more information on this topic, see the recently posted Wisconsin Q&A:
<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/q-and-a-sp-59-2016.pdf>

On-site Monitoring

On-site monitoring reviews were conducted by the district and FSMC staff for each site. Appropriate internal corrective actions took place in a couple areas (water availability, professional standards, and overt ID). These areas were followed up and implemented within the required 45 days.

FSMC

Items that may not be delegated to the FSMC

- On-site Monitoring
- Signature Authority
- Edit Checks – if software generated, the SFA must sign off on them.

Local Wellness Policy

The local wellness policy requirement was established by the Child Nutrition and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Reauthorization Act of 2004 and further strengthened by the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). The final rule requires School Food Authorities (SFAs) to begin developing a revised local school wellness policy during School Year 2016-2017 and full compliance with the requirements of the final rule by June 30, 2017.

Cedarburg School District has recently updated their policy, which is excellent and incorporates most of the required elements. The policy will need to mention Smart Snacks regulations and food and beverage marketing. This can be finalized by the June 30, 2017 deadline.

Standout areas within the district's policy include: informing the public of the updates, allowing 20 minutes to eat, providing professional development training for food service staff, creating a diverse committee, and a convenient tracking system through Google Docs. The Google Doc identifies specific events or interventions at each school that will assist in measuring the progress towards meeting the outlined goals and objectives.

A summary of the requirements and a short checklist can be found at:

<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/local-wellness-policy-checklist.pdf>

Wisconsin Team Nutrition has several wellness policy resources available including a toolkit, a wellness policy builder, and wellness policy report card at: <http://dpi.wi.gov/school-nutrition/wellness-policy>.

Smart Snacks in Schools

Parkview Elementary was our review site for Smart Snacks. At this time the only food item sold to students during the school day are extra milks which are compliant.

Second Meals

Cedarburg High School was not the selected site for this Administrative Review, however, under Smart Snacks regulations, the sale of second meals to students at the high school is disallowed. Second meals, sold at a unit price, does not comply with the general or nutrient standards, established

in the Smart Snacks Final Rule on July 29, 2016. If students are still hungry, menu items can be offered and charged separately using a la carte pricing. Also, if there is school-wide support, consider expanding your programming under the National School Meals program. Programs, such as the School Breakfast Program and Afterschool Snack Program can provide more access to healthy food for your students.

Professional Standards

- The Professional Standards regulations in 7 CFR 210.30 established hiring standards for new school nutrition program directors, hired on or after July 1, 2015, that manage and operate the National School Lunch and School Breakfast Programs. In addition, the regulations established annual training standards for all school nutrition program directors, managers, and staff which must be tracked.
- Annual training must be job-specific and intended to help employees perform their duties well. The required annual training hours vary according to the employee's role in the management and operation of the school nutrition program.
- Training obtained since April 1, 2015 may count towards training requirements. Trainings can be provided in a variety of formats (online, in person, webinars) and through various providers (DPI, USDA, in-house, etc.).
- SFAs should clearly document all required training information and maintain that file including the name of staff person, date hired, title/position, brief list of core duties/responsibilities, status (full, part-time, volunteer, etc.), professional standards position (director, manager or staff). Learning codes are not required, but encouraged. A template tracking tool is posted to our website at <http://dpi.wi.gov/school-nutrition/training/professional-standards>.
- Wisconsin does allow for annual training hours to be completed over two years as long as some of the hours are obtained in the first year. For example if a staff member is required to obtain 4 hours per year, 2 hours can be obtained in the first year and 6 in the second year for a total of 8 hours each year.

Food Safety, Storage and Buy American

- Temperature are taken and recorded appropriately.
- The Food Safety Plan was available for review at Parkview Elementary and included all process 1, 2, and 3 items, all standard operating procedures (SOP), equipment, and employee health reporting agreements. The most recently updated plan should be available at the service site to ensure staff are following any changes in protocol and the plan functions as a working document.
- SFAs are required to ensure that facilities for the handling, storage, and distribution of purchased and donated foods are properly safeguarded against theft, spoilage, and other loss (7 CFR 210.13(d)). The on-site storage areas were reviewed at Parkview Elementary, no violations were identified.

Buy American

The USDA requires that a SFA purchase, to the maximum extent practicable, domestic commodities or products. Using food products from local sources supports small local farmers and provides healthy choices for children in the school meal programs. Purchasing from these entities also supports

the local economy. The Buy American provision is required whether food products are purchased by SFAs or entities that are purchasing on their behalf.

The Buy American provision should be included in solicitations, contracts, and product specifications. A reply offer to comply with Buy American terms in a solicitation ensures contractors are aware of Buy American requirements. Further, bidder assurance of the Buy American provision ensures that the bidder is responsive and responsible to the solicitation.

There are limited exceptions to the Buy American provision which allow for the purchase of products not meeting the “domestic” standard as described above (“non-domestic”) in circumstances when use of domestic products is truly not practicable. Refer to SP 24-2016 for more information on the Buy American provision and limited exceptions.

The following noncompliant items were identified and may fall under one of the limited exemptions: Bananas from Costa Rica and Red and Green bell pepper from Mexico. The Red and green bell peppers from Mexico should prompt a follow up with your vendor to procure an alternative domestic product.

More information on this new requirement can be found on the SNT website at <http://dpi.wi.gov/school-nutrition/procurement/buy-american> including a tool to assist with tracking noncompliance products.

Reporting and Recordkeeping

Thank you for completing the required USDA and DPI reports and maintaining the paperwork in an organized manner.

SFSP Outreach

A goal of USDA Child Nutrition Programs is to ensure all students have access to healthy and nutritious meals year round. Even though a summer feeding program is not operated at Cedarburg School District USDA would like all SFAs to inform families of where their students can receive a free meal in the summer months.

Near the end of this school year, it is as simple as a blurb in a newsletter sent home to students, or putting up free posters provided by DPIs Community Nutrition Team. To access an inclusive map of all potential participating sites in your area, see the interactive map on the SFSP website <http://www.fns.usda.gov/capacitybuilder>.

Findings and Corrective Action Needed:

- **Finding #1:** The district is offering juice as a cow’s milk substitute for children who have a lactose intolerance. These statements are not all supported by a medical statement signed by a licensed medical practitioner.

Corrective Action Needed: Submit a statement outlining how the district will address this. As noted above, these cases can be handled through offer vs. serve (water as an option if milk is declined), by providing a lactose free milk (does not require preapproval), or with DPI approval of another dairy alternative. If the agency decides to pursue a dairy alternative, contact claire.koenig@dpi.wi.gov to have the product reviewed insuring nutritional equivalence to cow’s milk.

- **Finding #2:** The most recent food safety inspection report was not posted in public view at Parkview Elementary.

Corrective Action Needed: Post the report at Parkview Elementary in an area visible to the public. Send a picture of the report posted to the consultant via email. Ensure this corrective action is followed through district-wide.

Dr. Tony Evers, State Superintendent of Wisconsin Department of Public Instruction, shares a vision that every student will graduate prepared for college and career in an initiative called “Agenda 2017”. His goals are for students to have the knowledge, skills, and habits that will allow them to succeed in life after high school. Access to quality nutrition plays a major role in developing those life-long habits.

The School Nutrition Team believes that what school nutrition programs do every day plays a very important part in the success of every child being able to graduate. We all know that well-nourished children are ready to learn. Thank you for all you do to ensure your students’ success.

For more information on this initiative, please visit the Wisconsin DPI Every Child a Graduate webpage dpi.wi.gov/statesupt/agenda-2017.

